

The position was then discussed between the Munitions Controller and the General Manager, and the Minister of Finance was interviewed, and his decision was that the Government should not purchase the vehicles unless it was established after further investigation that the work of reconditioning by General Motors as a means of keeping employed a large staff who would otherwise have to be discharged could be justified. The matter was referred to the Industrial Development Committee, and, in anticipation of that meeting, the General Manager, with the consent of the Minister of Finance, interviewed the major motor distributors, but found that they were not interested, although General Motors were at first prepared to purchase fifty G.M.C. trucks at 125 dollars each with a view to retaining their staff, but subsequently withdrew their offer. At the meeting of the Industrial Development Committee on the 3rd of October, 1945, the matter was discussed, and the Munitions Controller presented a summary of estimated costs and possible results of disposal and salvage.

The Committee's decision was against the purchase, and the United States authorities notified accordingly. Then on the 24th October, 1945, the United States Joint Purchasing Board officially notified this Board that the vehicles referred to were surplus to their requirements. In making such declaration it was the intention of the United States Joint Purchasing Board that this Board would undertake sale on their account. Accompanying this declaration was the following statement:—

The following list of vehicles have all been shipped to this section from more forward areas for complete tear down and rebuild. All the vehicles are used and require major repairs. Prior to the termination of the war these were considered economically repairable. The over-all U.S. supply situation following the end of the war now renders these vehicles surplus and uneconomically repairable.

At a meeting of the Board on the 29th October, 1945, it was agreed that before any recommendation was put to the Board full particulars should be submitted to Treasury Department for their comments and recommendations. Treasury was notified accordingly on the 30th October, 1945, with a summary of the position to date, combined with the report of the Munitions Controller. The next meeting of the Board was on the 6th November, 1945, when the General Manager reported that he had called a meeting to discuss the whole matter, such meeting being attended by representatives of Treasury, the Munitions Controller, and Transport Department. The meeting agreed that before any considered recommendations could be made to the Board the whole matter should be submitted to Treasury Department for its comments. Then followed the General Manager's report to Treasury on the 12th November, 1945:—

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Wellington, 12th November, 1945.

Memorandum for—

The Secretary to the Treasury,
Wellington.

VEHICLES EX U.S. FORCES

1. Reference the 2,287 M.T. vehicles which have been declared as surplus by the U.S. Forces—detailed particulars as set out in the statement which accompanied my memorandum to you of 30th ultimo.

2. There are two or three syndicates who are interested in purchasing the whole range of vehicles, but such syndicates naturally desire certain information before they can submit any definite proposition.

3. I have represented the position to the Comptroller of Customs and requested him to advise me as to his requirements in respect to Customs duty and sales tax.

4. I have also communicated with the Commissioner of Transport to ascertain whether he will permit the use of these vehicles on the roads as left-hand drive vehicles.

5. I have further requested the Commissioner of Transport to let me have his views as to whether the Government should permit the sale of the vehicles "as is where is" without any obligation on the part of the vendors to ensure that the requisite parts for reconditioning are made available to the purchasers of the vehicles "as is."

6. In connection with para. 5 above, it must be remembered that only a limited number of the vehicles will be sold for "reconditioning" and many of them for breaking down only. Except for certain wiring and electrical parts it is reasonable to assume that most of the parts required for reconditioning would become available from the scrapped vehicles.